

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2115 – SB 2260

March 6, 2018

SUMMARY OF ORIGINAL BILL: Enacts the University of Tennessee (UT) Focusing on Campus and University (FOCUS) Act. Vacates the existing membership of the UT Board of Trustees. Reconstitutes the UT Board of Trustees to consist of one ex-officio voting member and 10 voting members appointed by the Governor. Requires each member of the Board of Trustees to be reimbursed for travel related expenses. Sets forth other revisions regarding the Governance of the UT system.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Expenditures – Exceeds \$16,000/University of Tennessee

SUMMARY OF AMENDMENTS (013725, 014350): Amendment 013725 deletes and replaces language of the original bill such that the substantive changes are as follows: 1. Reconstitutes the composition of the UT Board of Trustees to consist of one ex-officio voting member, 10 voting members, and one non-voting student member. 2. Sets forth selection process, duties, responsibilities, and term limits for the one non-voting student member. 3. Requires the UT Board of Trustees to establish standing committees with responsibility for oversight of Academic Affairs and Student success. 4. Deletes requirement that each advisory board shall provide a recommendation to the President of UT on the proposed operating budget.

Amendment 014350 deletes and replaces language of the bill such that the only substantive change are as follows: 1. Deletes the requirement of the UT Board of Trustees to establish a process through which each advisory board created must provide a recommendation on the proposed operating budget, including tuition and fees, as it relates to the respective institution prior to the adoption of the annual operating budget, beginning after January 1, 2019. 2. Deletes the requirement of the UT Board of Trustees to establish a process through which each advisory board shall provide a recommendation on the proposed strategic plan for the respective institution prior to the approval of the strategic plan by the Board of Trustees, beginning after January 1, 2019.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Decrease State Expenditures – Exceeds \$15,000/University of Tennessee

HB 2115 – SB 2260

Assumptions for the bill as amended:

- There are currently 27 members serving on the Board of Trustees.
- The proposed legislation as amended would reduce the number of members serving on the UT Board of Trustees to 12 members; decreasing the total number of members by 15.
- Travel reimbursement expenses for the members of the UT Board of Trustees are reasonably assumed to be at least \$200 per member per meeting for at least five meetings per year.
- Each member receives at least \$1,000 (5 meetings x \$200) in travel expense reimbursement annually. The recurring decrease in state expenditures to UT is estimated to exceed \$15,000 (\$1,000 x 15).
- Appointments and confirmation hearings will be accomplished in the normal course of business and when the General Assembly is convened. Any increase in state expenditures for this purpose is estimated to be not significant.
- Any increase in state expenditures for additional meeting materials is estimated to be not significant.
- Policies regarding the governance of the UT System under the provisions of the proposed legislation will be adopted and performed during UT's normal course of business. Any fiscal impact to UT as a result of adopting policies regarding the governance of the UT system is estimated to be not significant.
- Any fiscal impact as a result to deleting certain requirements of the UT Board of Trustees pursuant to amendment 014350 is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee" followed by the letters "RNC" in a smaller, less legible script.

Krista M. Lee, Executive Director

/rbp